

Message Text

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ACTION EB-07

INFO OCT-01 ISO-00 IO-13 AF-10 ARA-06 EA-07 EUR-12
NEA-10 FEA-01 AGRE-00 CEA-01 CIAE-00 COME-00
DODE-00 FRB-03 H-01 INR-07 INT-05 L-03 LAB-04
NSAE-00 NSC-05 PA-01 EPG-02 AID-05 SS-15 STR-04
ITC-01 TRSE-00 PRS-01 SP-02 OMB-01 NSCE-00 SSO-00
USIE-00 INRE-00 /128 W

-----262006Z 062255 /64

O R 261800Z MAY 77

FM USMISSION GENEVA

TO SECSTATE WASHDC IMMEDIATE 7708

INFO ALL EC CAPTIALS

AMEMBASSY ABIDJAN

AMEMBASSY ANTANARIVO

AMEMBASSY ASUNCION

AMEMBASSY BANGKOK

AMEMBASSY BERN

AMEMBASSY BOGOTA

AMEMBASSY BRASILIA

AMEMBASSY BRIDGETOWN

AMEMBASSY BUENOS AIRES

AMEMBASSY CANBERRA

AMEMBASSY CARACAS

AMEMBASSY DACCA

AMEMBASSY GEORGETOWN

AMEMBASSY GUATEMALA

AMEMBASSY HELSINKI

AMEMBASSY KHARTOUM

AMEMBASSY KINGSTON

AMEMBASSY KINSHASA

AMEMBASSY LA PAZ

AMEMBASSY LILONGWE

AMEMBASSY LIMA

AMEMBASSY LISBON

AMEMBASSY MADRID

AMEMBASSY MANAGUA

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AMEMBASSY MANILA
AMEMBASSY MAPUTO
AMEMBASSY MBABANE
AMEMBASSY MEXICO
AMEMBASSY MOGADISCIO
AMEMBASSY MONTEVIDEO
AMEMBASSY MOSCOW

AMEMBASSY NEW DELHI
AMEMBASSY OTTAWA
AMEMBASSY PANAMA
AMEMBASSY PORT LOUIS
AMEMBASSY PORT OF SPAIN
AMEMBASSY PRETORIA
AMEMBASSY QUITO
AMEMBASSY RABAT
AMEMBASSY SAN JOSE
AMEMBASSY SAN SALVADOR
AMEMBASSY SANTIAGO
AMEMBASSY SEOUL
AMEMBASSY SOFIA
AMEMBASSY STOCKHOLM
AMEMBASSY SUVA
AMEMBASSY TAIPEI
AMEMBASSY TEGUCIGALPA
AMEMBASSY TEL AVIV
AMEMBASSY TOKYO
AMEMBASSY VIENNA
AMEMBASSY WELLINGTON
AMCONSUL BELIZE
AMCONSUL CALI
AMCONSUL CAPTETOWN
AMCONSUL DURBAN
AMCONSUL GUAYAQUIL
AMCONSUL RIO DE JANEIRO
AMCONSUL SAO PAULO
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USMISSION USUN NEW YORK

C O N F I D E N T I A L GENEVA 4164

OECD PARIS FOR COOPER

E.O. 11652: GDSA
TAGS: UNCTAD ETRD
SUBJECT: SUGAR NEGOTIATIONS: DEADLOCKED

1. SUGAR NEGOTIATIONS HAVE BECOME HOPELESSLY DEADLOCKED. MAJOR STUMBLING BLOCK IS UNWILLINGNESS EXPORTERS ACCEPT MORE THAN TOKEN STOCKS. WHILE EXPORTERS HAVE INDIVIDUALLY STATED THAT THEIR WILLINGNESS TO CARRY LARGER STOCKS IS LINKED TO FINANCING, THEY IN FACT HAVE BEEN UNWILLING TO ADDRESS FINANCING ISSUE. REAL OBSTACLE IS EVIDENTLY FEAR OF STOCKS AS PRICE DEPRESSANT. TACTICALLY, HOWEVER, THEY AIM PRINCIPAL ARGUMENTS AT COSTS CONTENDING FINANCING SHOULD BE CONTRIBUTED WHOLLY BY IMPORTERS AND PROVIDED ON HIGHLY CONCESSIONAL OR GRANT BASIS. JAPANESE, AND TO LESSER EXTENT, CANADA, HAVE ALSO SHOWN

UNWILLINGNESS TO CONTEMPLATE FINANCING, AF FACT WHICH HAS EARNED THEM PARTICULAR CRITICISM, US IS GIVEN CREDIT FOR HAVING OFFERED FINANCING BUT AMOUNT OF FINANCING SUGGESTED IS CONSIDERED INADEQUATE AND LEVE OF STOCKS PROPOSED BY US IS REGARDED AS EXCESSIVE.

2. AFTER SEVERAL DAYS OF INTENSIVE CONSULTATIONS AMONG US, AUSTRALIA, BRAZIL, CANADA AND JAPAN, IT APPEARED THAT CONSIDERABLE PROGRESS HAD BEEN MADE AND WE WERE MOEDESTLY OPTIMISTIC AN AGREEMENT MIGHT YET BE POSSIBLE. UNDERSTANDING REACHED AMONG FIVE ON ALL ISSUES EXCEPT STOCKS AND WE EXPECTED CLOSE THAT GAP THIS MORNING. OVERNIGHT, HOWEVER, BRAZIL HAD A CHANGE OF HEART BASED ON DISCUSSIONS WITH OTHER PRODUCERS. RESULT WAS SERIOUS RETROGRESSION AND PACKAGE FELL APART.

3. IT IS EXPECTED THAT FINAL PLENARY FRIDAY WILL CONFIRM COLLAPSE OF CONFERENCE. QUESTION THEN WILL BE WHETHER TO RECONVENE CONFERENCE IN SEPTEMBER, WITH POSSIBLE INTERSESSIONAL MEETING IN JULY ON STOCKS AND THEIR FINANCING RO TO LEAVE FUTURE UNDECIDED.

4 ADDRESSEES SHOULD NOT THAT IN PUBLIC COMMENT WE ARE TAKING POSITION THAT FAILURE OF CONFERENCE NOT REPEAT NOT DUE TO STOCKS

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ISSUE ALONE, BUT TO FAILURE AGREE UPON PRICE SUPPORT MECHANISM AS A WHOLE.SORENSEN

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Message Attributes

Automatic Decaptoning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SUGAR, NEGOTIATIONS, TRADE AGREEMENTS, MEETING REPORTS
Control Number: n/a
Copy: SINGLE
Sent Date: 26-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977GENEVA04164
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770188-1037
Format: TEL
From: GENEVA
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1977/newtext/t19770515/aaaaanbe.tel
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Litigation Codes:
Litigation History:
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Message ID: ae773289-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: CONFIDENTIAL
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Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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Review Exemptions: n/a
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Review Release Event: n/a
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Review Withdrawn Fields: n/a
SAS ID: 2359894
Secure: OPEN
Status: NATIVE
Subject: SUGAR NEGOTIATIONS: DEADLOCKED
TAGS: ETRD, UNCTAD
To: STATE
Type: TE
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